



Committee On Finance

Max Baucus, Ranking Member

NEWS RELEASE

<http://finance.senate.gov>

FOR IMMEDIATE RELEASE
Wednesday, May 3, 2006

Contact: Carol Guthrie
(202) 224-4515

BAUCUS BILL WILL AID RESEARCH, EXPERIMENTATION TO IMPROVE AMERICA'S ECONOMIC COMPETITIVENESS

*Senator will introduce fourth of seven bills on U.S. competitiveness tomorrow;
"Research Competitiveness Act of 2006" will streamline research tax credit, boost innovation*

Washington, DC – Legislation to be introduced tomorrow by U.S. Senator Max Baucus (D-Mont.), Ranking Democrat on the Senate Finance Committee, will improve and extend the research tax credit and provide additional incentives to boost research and experimentation nationwide. The Research Competitiveness Act will streamline, update and make permanent the research tax credit for both basic and applied research, will promote the development of research parks nationwide, and will increase "startup" companies' chances of economic survival. It will be the fourth in a series of Baucus bills to enhance American economic competitiveness.

"There's a direct link between American innovation and American prosperity," said Baucus. **"From thinking our way out of the current energy crisis, to developing products the whole world wants to buy, America's economic competitiveness depends on a strong commitment to research and experimentation. Innovation kept America on top of the economic heap in the last century, and we must continue to innovate to keep our economic leadership now."**

Full language of the Research Competitiveness Act of 2006 will be available upon its Thursday introduction. By making permanent the research tax credit, the bill will eliminate the need for annual "extenders" of that provision, which is currently expired and awaiting renewal. The bill also shifts the research credit to an "alternative simplified" credit that is based on research spending and will encourage further research investment. Bond provisions will help states and communities wishing to develop local research parks, and help universities using bonds to finance research. The bill will also provide access to cheap capital for small, research intensive businesses through a "new markets" type tax credit.

Baucus will discuss the Research Competitiveness Act at a news conference on Thursday, May 4, at 10:30 a.m. in Hart Senate Office Building Room 511. He will be joined by Larry Bock, CEO of Nanosys, who will discuss the importance of tax incentives for research and access to capital for startup companies and industries. **Only working journalists are invited to attend Thursday's news event. They may RSVP to Brianne Rogers at 202-224-4515.**

###